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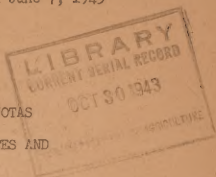
UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT AGENCY

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS

PART II. ISSUING MARKETING CARDS AND CERTIFICATES AND  
FARM OPERATOR'S REPORTS

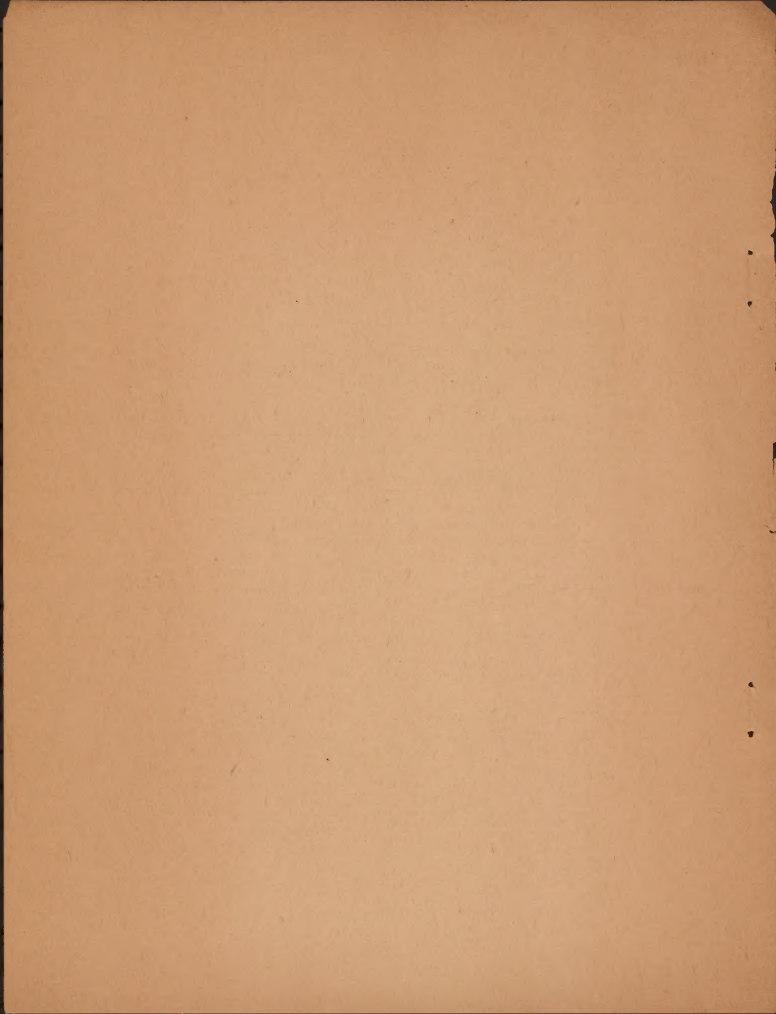
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#### A. GENERAL

Section 201 Applicability of instructions. Part II of these instructions contains the procedure for issuing cotton marketing cards and certificates, and outlines the nature and use of certain forms, records, and files of the county committee in connection therewith. These instructions concern primarily the duties of the county committee and the treasurer of the county committee (herein referred to as the treasurer). Unless otherwise designated, each form mentioned herein is a "Cotton" form and each reference herein to a section is to a section of these instructions.

Sec. 202 Designation of farm serial numbers. The farm serial number referred to in the regulations and these instructions for any farm shall be the serial number assigned to the farm for the purposes of the agricultural conservation program.

Sec. 203 Receiving, storing, and disposing of marketing quota forms.

- (a) Transmittal of forms on Form 452. All serially numbered forms will be consigned to the county committee by the State office and each shipment thereof will be accompanied with the original and one copy of a letter of transmittal on Form 452. The treasurer shall ascertain the correctness of each shipment and shall, in the case of serially numbered forms, compare the serial number of the forms with the serial numbers shown on Form 452. If the serial numbers of forms or the number shipped are in error, the treasurer shall correct and initial the erroneous entry. The original Form 452 shall be signed by the treasurer as a receipt for the forms transmitted therewith and forwarded to the State office within five days from the date on which the forms are received.
- (b) Storage of forms. Serially numbered forms shall be filed together and so arranged that they will be issued or used in consecutive serial number order and will be accessible to examination by any representative of the Secretary of Agriculture or the War Food Administrator. Other forms, especially those designed for use in succeeding marketing years, should be stored in such manner that destruction and deterioration will be minimized and so arranged as to permit the supply at any time to be readily determined. It shall be the duty of the treasurer to account for the disposition of all serially numbered forms by recording the issuance thereof on the records maintained in the county office.
- (c) Disposing of forms. No cotton marketing quota forms shall be disposed of until and unless it has been determined by the State office that the forms considered for disposal are

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not needed in other counties in the State and by the Regional Director that they are not needed in other States. Any forms forwarded to another county office or to a State office shall be transmitted on Form 452 and the receipt for such forms shall be filed in the county office.

Sec. 204. Conditions under which marketing cards are issued. 1/ Cotton marketing cards are of two kinds; namely, white marketing cards and excess marketing cards (herein referred to as white card(s) and excess card(s)). The persons eligible to receive marketing cards are (1) producers and (2) persons who have on hand cotton produced by or for them in any prior year but who are not cotton producers during the current year. A marketing card for a producer is issued with respect to a farm and, in the event a producer has an interest as a cotton producer in more than one farm, separate marketing cards are issued with respect to the different farms. A person other than a producer is eligible to receive only an excess card for the specific cotton which the person has on hand from a previous crop. The conditions under which white cards are issued to producers and the conditions under which excess cards are issued to producers are mutually exclusive. The same producer is never eligible to receive marketing cards of both kinds. It may therefore be stated as a general rule that a producer who is not eligible to receive a white card is eligible to receive only an excess card. The conditions under which white cards shall not be issued to producers are as follow: 2/

1. No white card shall be issued to any producer on an overplanted farm.
2. No white card shall be issued to any producer on a farm in connection with which one or more producers have carry-over penalty cotton. 3/
3. No white card shall be issued to any producer on a farm on which no cotton is planted.

1/ The conditions under which marketing cards may be issued to farms on which Sea Island or American-Egyptian cotton is planted will be furnished by the State office upon request.

2/ A producer who would not otherwise be eligible to receive a white card may be issued a white card pursuant to the provisions of sub-part D hereof.

3/ The county committee, upon request, may issue a white card to any producer on an underplanted farm in connection with which one or more sharecroppers or share tenants have carry-over penalty cotton in the Commodity Credit Corporation loan, provided a white card is not issued to the producer(s) having carry-over penalty cotton.

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4. No white card shall be issued to any producer with respect to any farm in the county in which he has an interest as a cotton producer if he has an interest in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton. However, unless conditions numbered 5 to 7 below are applicable, white cards may be issued to producers other than the multiple farm producers on any underplanted farm in the county in connection with which no producer has carry-over penalty cotton.
5. No white card shall be issued to any producer on an underplanted farm in the county in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm in the county or a farm in the county in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committee determines that the issuance of an excess card to all of the producers is necessary to enforce the provisions of the Act.
6. No white card shall be issued to any producer with respect to any farm in the State in which he has an interest as a cotton producer if (i) he has an interest in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception 4 above shall apply to him with respect to all farms in the State in which he has an interest.
7. No white card shall be issued to any of the producers on an underplanted farm in the State in connection with which no producer has carry-over penalty cotton if (i) a producer thereon also has an interest as a cotton producer in an overplanted farm or a farm in connection with which he or any other producer has carry-over penalty cotton and (ii) the county committees of the respective counties agree, or the State committee determines, that exception 5 above shall apply with respect to all such farms in the State.
8. No white card shall be issued to any producer if the county committee determines that the issuance of an excess card rather than the issuance of a white card is necessary to enforce the provisions of the Act.

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9. No white card shall be issued to any producer on a new farm for which a cotton acreage allotment and normal yield per acre of lint cotton and marketing quota are not established because an application therefor was not made within the time limit prescribed.
10. No white card shall be issued to the producers on a farm for which the acreage of cotton of the current crop cannot be determined.

Sec. 205 Acreages of cotton.

- (a) Procedure for determining the acreage of cotton. For the purpose of the cotton marketing quota provisions, the acreage of cotton for each farm for which a cotton acreage allotment was established, or on which cotton was planted in the current year, or both, shall be determined in accordance with the established procedure of the Agricultural Adjustment Agency and a record of such acreages shall be kept among the records of the county office in accordance with the established procedure.
- (b) Preparation of Form 718 for overplanted farms. Upon notice from the State committee, Form 718 shall be executed as follows for all overplanted farms in the county:
  1. In the spaces indicated enter the names of the State and county, the sheet number, the total number of sheets in the report, and the marketing year.
  2. Enter the information and data for each farm on a separate line.
  3. In column A enter the farm serial number.
  4. In column B enter the name of the operator of the farm.
  5. In column C enter the cultivated (tilled) acreage determined for the farm.
  6. In column D enter the cotton acreage allotment established for the farm.
  7. In column E enter the acreage of cotton determined for the farm.

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8. In column F enter the farm normal cotton yield.
  9. Columns G, H, and I are reserved for use by the State office.
  10. The report shall be examined by the county committee and, if found to be correct, the last page thereof shall be dated and signed by a member of the committee on its behalf.
- (c) Preparation of Form 718 for underplanted farms with carry-over penalty cotton. Upon notice from the State committee, a separate Form 718 shall be marked "Carry-over penalty cotton" and executed, with the exception noted below, in accordance with the instructions contained in paragraph (b) above for underplanted farms in the county in connection with which any interested producer has carry-over penalty cotton on hand: In column C enter the total amount of carry-over penalty cotton on hand for all producers on the farm, as shown on Form 450 or 450-A for the current marketing year.
- (d) Distribution of Form 718. The distribution of Form 718 shall be as follows:
1. The original shall be mailed to the State committee.
  2. The copies shall be placed in a folder and kept as a permanent record in the county office.
- (e) Revision in amount of cotton acreage allotment or report of cotton acreage. If any revision is made in the amount of the cotton allotment for any farm or the report of the acreage planted to cotton is changed for any farm and the change or revision alters any figure previously reported on Form 718 or would result in classifying a farm previously reported as an underplanted farm as an overplanted farm, the change or revision shall be set forth in a letter to the State committee signed by a member of the county committee, a copy of the letter attached to Form 718, and the change or revision entered on the county office copies of Form 718. If there are numerous changes, a revised Form 718 shall be prepared and distributed as indicated in paragraphs (b), (c), and (d).

Sec. 206 Determination of carry-over cotton.

- (a) Definition. There are two kinds of carry-over cotton; namely, carry-over penalty free cotton and carry-over penalty cotton. An amount of cotton which the producer has on hand at the beginning of the marketing year which is equal to or not in excess of the amount by which his producer marketing quota for the preceding marketing year exceeded the amount of cotton actually marketed by him in that marketing year is carry-over penalty free cotton. Any amount of cotton which the producer has on hand at the beginning of the marketing year which is in excess of the carry-over penalty free cotton which, if marketed during the preceding marketing year, would have been marketed subject to a penalty rate lower than the penalty rate applicable to cotton of the current crop will, as provided in Part IV of these instructions, be converted into an amount of carry-over penalty free cotton and an amount of carry-over penalty cotton at the penalty rate applicable to cotton of the current crop. The carry-over penalty free cotton resulting from the conversion and the carry-over penalty free cotton which the producer has on hand without the conversion shall be added together and thereafter will constitute the carry-over penalty free cotton which the producer has on hand. The amount of carry-over penalty cotton resulting from the conversion will constitute the carry-over penalty cotton which the producer has on hand.
- (b) Inspection. In each case where the producer has on hand carry-over penalty cotton or is otherwise not eligible to receive a white card, a representative of the county office shall determine the amount of carry-over cotton by actual inspection or by examination of warehouse receipts, loan agreements, or other documents evidencing title thereto, and shall make a memorandum in connection therewith showing the time of the inspection or examination, the place at which the cotton is stored, an identification of each bale, such as the gin bale number or mark, the weight of each bale, and the method employed in arriving at the weight of the cotton. The memorandum shall be filed in the folder for the farm. If an inspection of the cotton was made in connection with a farm operator's report for the preceding marketing year, an additional inspection is not required. The weight of each bale of such cotton shall be taken from the ginner's report or from warehouse receipts, loan agreements, or other documents evidencing

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title thereto, and the amount of lint in any seed cotton on hand shall be estimated. The weight of the bales as so determined shall not thereafter be changed or altered because of subsequent developments tending to show a different weight.

- (c) Multiple farm producers. In case a producer is engaged in the production of cotton on more than one farm and has carry-over cotton, he shall designate in writing one or more of such farms in connection with which the carry-over cotton is to be marketed and thereafter the designation of the farm for this purpose shall be final and not subject to change. In the event the producer fails or refuses to designate the farm or farms in connection with which the carry-over cotton will be marketed, the county committee shall designate the farm or farms for this purpose and the designation so made shall be final and conclusive unless, within fifteen days after the mailing of a notice of the designation to the producer, the producer designates in writing a different farm or farms in connection with which the carry-over cotton will be marketed. The designation, or notice of the designation, shall be filed in the folder for the farm. The amount of carry-over cotton for the farm shall be recorded on Form 450 or 450-A as provided in Part IV of these instructions.

Sec. 207 Multiple farms. A multiple farm producer shall not be issued either a white card or an excess card until it is determined whether any of the conditions enumerated in section 204 are applicable to any farm in the county in which he has an interest as a cotton producer. If conditions numbered 1, 2, 8, 9, and 10 are applicable to any one or more of the multiple farms, the multiple farm producer is not eligible to receive a white card for any farm in which he has an interest and the multiple farm producer and all other producers on the farms to which conditions numbered 1, 2, 8, 9, and 10 are applicable shall be issued excess cards with respect thereto. No marketing cards shall be issued to the multiple farm producer for a farm to which condition numbered 3 is applicable unless he designates carry-over cotton to be marketed in connection therewith, in which event an excess card shall be issued to him for the farm. The county committee shall determine whether condition numbered 4 or condition numbered 5 shall be applied to any farm to which conditions numbered 1, 2, 8, 9, and 10 are not applicable. If condition numbered 4 is applicable, the producers on the farm, other than the multiple farm producer, may receive white cards if they are otherwise eligible and no marketing card shall be issued to the multiple farm producer for the farm unless at his request an excess card is issued to him for

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the farm. If condition numbered 6 is applicable, excess cards shall be issued to or for the multiple farm producer and all other producers on the farm. Condition numbered 4 should be applied if the multiple farm producer does not participate directly in the management or control of the farm and receives merely a proportionate share of the cotton produced thereon or the proceeds of a proportionate share therein. Condition numbered 6 should be applied in all other cases. Condition numbered 5 or condition numbered 7 shall be applied in lieu of condition numbered 4 or condition numbered 6, respectively, when the farms in which the multiple farm producer has an interest are in adjoining counties or different counties and the county boundary lines are inadequate guides in separating the activities of the producer with respect to the farms insofar as the marketing quota provisions are concerned.

Sec. 208 Producers to whom excess cards rather than white cards are issued to enforce the Act. Whenever the county committee finds or has reason to believe that any white card to be issued to a producer might be used inadvertently or by design to prevent the proper identification of cotton at the time it is marketed as subject to or not subject to marketing penalties, the county committee may, in accordance with condition numbered 8 of section 204, issue an excess card to the producer instead of a white card. This condition applies, for instance, but not exclusively, to cases where (1) a producer apparently used a white card for a previous marketing year to identify cotton which would otherwise have been marketed subject to penalty by another producer or himself, or otherwise used the white card so issued in an attempt to evade the provisions of the Act or the regulations for the marketing year, or (2) a producer who would otherwise be eligible to receive a white card is so closely connected with or related to a producer on an overplanted farm or who has carry-over penalty cotton that the issuance of an excess card to both producers in view of their connection is necessary in order to enforce the provisions of the Act. Any determination made by the county committee under this section shall be in writing and a copy of it shall be filed in the folder for the farm.

Sec. 209 Instructions to buyers in connection with marketing cards and certificates. Under no circumstances shall the county committee furnish persons engaged in the business of buying cotton in the county a list or memorandum of the serial numbers of marketing cards issued to producers or a list or memorandum of the serial numbers of farms ineligible to receive white cards. Prior to the beginning of the marketing season in each county, the county committee or the State committee shall mail or deliver to each buyer in the county or in the State a copy of Part VIII of these instructions, a sample copy of

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Form 520, a book of five sets of Form 530, and a letter of explanation. The letter of explanation should state briefly the duties of the buyer under the regulations by directing his attention to the following items:

1. That, on the records ordinarily kept by him, he is required to keep a record of the information specified in section 802(b) of the regulations (indicated by the columnar headings of Form 520) and that, although Form 520 will be furnished to him for the purpose of keeping the records if he so requests, it is preferred that he keep the required records as a part of his regular record-keeping system.
2. That he should examine the marketing card issued to the producer or person whenever he buys cotton and enter the marketing card serial number on the records required to be kept pursuant to section 802(b) of the regulations.
3. That, if the producer or person does not present a marketing card when the cotton is marketed, he must make a report on Form 530 in connection with the transaction and remit the penalty on the cotton, and that additional sets of Form 530 for this purpose will be mailed or delivered to him by the county committee at his request.
4. That, if the marketing card or certificate serial number does not appear on the records required to be kept pursuant to section 802(b) of the regulations, it shall be presumed that the cotton was not identified by a marketing card or certificate when he purchased it.

Sec. 210 Issuing Forms 530. Forms 530 will be issued to buyers to be used by them in making reports on cotton not identified when marketed by a marketing card or certificate. The full mail address of the treasurer shall be stamped on the address side of each postal card copy of Form 530 before it is issued to a buyer, and a record of the issuance of each book of Forms 530 shall be kept on form MQ-2 prepared as follows:

1. In the spaces provided enter the State and county code numbers, the marketing year, and, following the word "Forms," the legend "Cotton 530."
2. In column B enter the name of the buyer and his address.

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3. In column C enter the serial number of the first Form 530 in the book to be issued to the buyer, followed by a hyphen and the last digit of the serial number of the last Form 530 in the book.
4. It is not necessary for the buyer to sign a receipt for the Forms 530.

Sec. 211 Designation of issuing officer to sign marketing cards. The county committee may designate an employee of the county committee to sign marketing cards or certificates on its behalf as issuing officer. Such designation shall be in writing and signed by at least two members of the county committee. Except under unusual conditions, the person designated as issuing officer shall be the treasurer of the county committee. The fact that an issuing officer has been designated does not relieve the county committee of any responsibility imposed upon it by the regulations or act to prevent any member thereof signing marketing cards or certificates for the committee.

#### B. WHITE MARKETING CARDS

##### Sec. 212 Issuing white cards.

- (a) Allocation of white cards on form MQ-2. White cards shall be allocated on form MQ-2 to the operator of each farm in the county for which a cotton acreage allotment has been established. Form MQ-2 shall be prepared as follows:
  1. Form MQ-2 shall be prepared in the original only.
  2. In the spaces indicated enter the State and county code numbers, the marketing year, and, following the word "Farms," the word "Cotton," and the number designating the farm.
  3. The information and data for each farm for which a cotton acreage allotment was established shall be entered in the numerical order of the farm serial numbers within the county. In the Western Region, list the farms alphabetically by farm operators.
  4. In column A enter the serial number of the farm.
  5. In column B enter the name of the operator of the farm. In the Western Region, enter below the name of the farm operator the name of each producer on the farm.

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6. In column C enter in the numerical order the serial numbers of the white cards, beginning with the first serial number of the white cards consigned to the county.
  7. Columns E, F, and G will be executed in accordance with State office instructions.
  8. Forms MQ-2 shall be placed in a binder and retained in the county office.
- (b) Preparation of white cards. Upon completing the allocation, as outlined above, the white card for each farm shall be prepared by entering in the spaces provided the following:
1. The names of the State and county and the farm serial number.
  2. The name and full mail address of the operator of the farm.
  3. The word "Same" in the space provided for the name and address of the producer to whom issued.
  4. The white card shall not be executed, that is, signed at this time.
- (c) Filing white cards prior to execution and delivery. White cards prepared in accordance with the foregoing instructions shall be filed in farm serial number order so that they may be readily available for execution and delivery when it has been determined that the operator of the farm for which such forms have been prepared is eligible to receive a white card.
- (d) Execution of white cards. After it has been determined that the operator of a farm is eligible to receive a white card, the card allocated to the operator, as provided in paragraph (a) of this section, for each farm in which he has an interest shall be executed by the issuing officer signing the card in the spaces thereon and entering the date of his signature.
- (e) Allocation of white cards to producers other than the farm operator. A white card shall be issued to each producer, other than a farm operator, who is eligible to receive a white card and requests that one be issued to him, unless the county committee determines that the issuance of a

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white card to him will not serve a useful purpose. A record of each card to be so issued shall be kept on form MQ-2 prepared, with the exceptions noted below, in accordance with the instructions contained in paragraph (a) above.

1. In the spaces provided enter the State and county code numbers, the marketing year, and, after the word "Forms," the word "Cotton," the number designating the form, and the words "issued to producers."
2. List the information for all producers on a particular farm on consecutive lines insofar as practicable.

(f) Preparation and execution of white cards allocated to producers other than the farm operator. Enter on white cards allocated to producers other than the farm operator the same information required to be entered on white cards allocated to the operator except that, instead of the word "Same," the name of the producer to whom issued shall be entered in the space provided. The white cards so prepared shall be executed by an issuing officer signing the card and entering the date of his signature.

(g) Delivery of white cards. White cards shall be delivered in the following manner:

- i. Delivery by mail. White cards shall be mailed to producers unless personal delivery can be arranged without causing the producer to travel to the county office or to a meeting for the sole purpose of obtaining the card. It will not be necessary to send white cards by registered mail, but the address side of the envelope should be stamped or typed to indicate that a marketing card is enclosed. The marketing card should be accompanied with a letter prepared in the county office similar to the following form:

Dear Producer:

Farm Serial No. \_\_\_\_\_

Your Cotton Marketing Card is enclosed. This card will enable you to market free of penalty all cotton owned by producers on the farm identified by the serial number entered thereon. Please sign the card

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promptly and place it with other cards or papers you carry at all times.

All cotton which is not identified at the time of sale as free of penalty must be taken to be excess cotton and subject to the penalty. It is for your protection, as well as for the protection of the buyer, that we urge you to use this card properly.

It is also important that you assist your ginner in reporting the correct farm serial number on his reports of cotton ginned. You can do this by taking this letter, your marketing card, or any other AAA form showing your farm serial number to the gin whenever you gin a bale of cotton. If you are growing cotton on more than one farm, be sure the ginner credits the cotton to the correct farm.

The records of cotton ginned are important in determining the yield for your farm which is used in connection with all phases of the agricultural programs for cotton. For this reason, we are asking you to keep your copy of each gin bale ticket, receipt, or report until the end of the ginning season, at which time you will be requested to verify our record of the cotton production for your farm.

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Chairman, \_\_\_\_\_  
County Agricultural Conservation  
Committee.

2. Personal delivery. If a white card is not delivered by mail, it should be delivered directly to the producer. White cards may also be delivered or mailed upon request to the agent of a producer in cases where (1) the producer is a corporation or other legal entity, (2) the producer is a natural person whose business is customarily handled by an agent, and (3) the requirement that the producer call for and receive the white card would impose an unreasonable hardship upon him and delivery of the white card by mail cannot be accomplished.
3. Record of delivery. The date of delivery, whether by mail or in person, shall be entered in column D, form MQ-2.

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- (h) Issuing Form 411-A. Form 411-A shall, upon request of the producer, be issued by the county committee to any producer, to whom a white card was issued who desires to market cotton by telephone, telegraph, letter, or by any means or method other than directly to and in the presence of the buyer or transferee. A record of Form 411-A shall be kept on form MQ-2 as follows:
1. In the spaces provided enter the State and county code numbers, the marketing year, and, following the word "Forms," the legend "Cotton 411-A."
  2. In column A enter the serial number of the farm.
  3. In column B enter the name of the operator or producer.
  4. In column C enter the serial number of the first Form 411-A in a book issued to the producer, followed by a hyphen and the last digit of the serial number of the last Form 411-A in the book. If the producer states that the number of marketings requiring a Form 411-A will be less than five, the number needed may be removed from the book and issued to him.
  5. In column H enter the serial number of the white card issued to the operator or producer.
  6. In the space indicated on each Form 411-A there shall be entered (1) the names of the State and county and the code numbers thereof, (2) the serial number of the farm with respect to which Form 411-A is issued, (3) the serial number of the white card issued to the producer, (4) the marketing year, (5) the name and full mail address of the operator or producer to whom the Form 411-A is issued, and (6) on the address side of each Form 411-A-b, beneath the words "Treasurer of the County Agricultural Conservation Committee," the full mail address of the treasurer.
  7. If a complete book is issued to a producer, in item 3(a) of the instructions printed on the reverse side of the front cover of the book the figure "22" shall be deleted and the figure "21" inserted and the figure "19" shall be deleted and the figure "20" inserted.

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8. The county committee shall examine form MQ-2 and each Form 411-A and, if found to be correct, its approval thereof shall be indicated by the issuing officer signing his name on each Form 411-A in the space indicated and entering the date on which it was issued.
  9. The county committee shall explain to the producer the entries to be made by him in Part II.
  10. The producer shall give a receipt (in memorandum form) for Form 411-A.
- (i) Lost, destroyed, or stolen white cards or Forms 411-A. In case any white card or Form 411-A is lost, destroyed, or stolen, the county committee may reissue such forms to the producer in accordance with the regulations. A copy of the notices of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in a folder prepared for that purpose. In case a lost, destroyed, or stolen white card or Form 411-A is to be replaced, the white card or Form 411-A shall be listed on the appropriate form MQ-2 for issuance in accordance with the procedure contained in the foregoing paragraphs of this section, except that:
1. The word "Duplicate" shall be stamped across the face of the newly issued white card or Form 411-A.
  2. The word "Lost," "Destroyed," or "Stolen" shall be entered in column H of form MQ-2 opposite the entry showing the issuance of the duplicate white card or Form 411-A.
  3. The words "Canceled-Lost," "Canceled-Destroyed," or "Canceled-Stolen" shall be entered in column H of form MQ-2 opposite the serial number of the lost, destroyed, or stolen white card or Form 411-A.
- (j) Cancellation of white cards or Forms 411-A issued in error. In case any white card or Form 411-A is erroneously issued, the county committee shall cancel it in accordance with the regulations. A copy of the notices of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in a folder prepared for that purpose. The word "Canceled" shall be entered in column H of form MQ-2 opposite the serial number of the canceled white card or Form 411-A. The word "Canceled" shall be entered across the white card or Form 411-A that is canceled.

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### C. EXCESS MARKETING CARDS

#### Sec. 213 Issuing excess cards.

(a) Conditions precedent. An excess card shall not be issued to any person other than a producer unless and until it is determined that he has carry-over cotton. An excess card shall not be issued to any producer for a farm on which cotton is not planted unless and until carry-over cotton is designated to be marketed in connection therewith. When it is determined, in accordance with sections 204 through 208, that the producers on a farm on which cotton is planted are not eligible to receive white cards, an excess card shall be issued to each producer on the farm, subject to the following conditions:

1. The amount of carry-over cotton to be marketed in connection with the farm must be determined, if possible.
2. Form 450 or 450-A must be prepared in accordance with Part IV of these instructions and the initial producer marketing quotas must be determined.
3. The intention of the producers to appoint or not to appoint the farm operator to receive a single excess card for the farm in trust for all producers thereon must be determined.

(b) Appointment of farm operator to receive excess card in trust for all producers. A single excess card for the entire amount of the farm marketing quota may be issued to the farm operator in trust for all producers on the farm if the producers and the operator execute an agreement to that effect on Form 524 and file it with the county committee. The agreement on Form 524 shall not be recognized if (1) any producer on the farm failed or refused to enter into the agreement and execute Form 524, (2) the acreage of cotton for the farm cannot be determined, (3) the issuance of a single excess card to the operator for all producers would be inconsistent with the marketing practices followed on the farm, or (4) it is indicated that the excess card issued to the operator would not be used properly for each producer or that the rights of any producer would be prejudiced. The county committee should explain to the farm operator, prior to its acceptance of the agreement, the liability of the farm operator under the regulations for penalties which are incurred in connection with the farm.

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- (c) Cancellation of white cards allocated to the farm. When it is determined that excess cards will be issued to the producers on a farm, the white card allocated to the farm operator under section 212(a) shall be marked "Void," removed from the file of white cards established under section 212(d), and placed in a separate file. The number of the condition enumerated in section 204 which is applicable to the farm or producer shall be entered in column H, form MQ-2, on the line on which the white card serial number appears.
- (d) Record of issuance on Form 450 or 450-A. Each excess card prepared for issuance shall be recorded on the Form 450 or 450-A prepared for the farm as follows:
1. On line (a), column 36, Form 450, opposite the name of the producer (entered pursuant to Part IV of these instructions) enter the printed serial number of the first certificate accompanying the excess card. On line (b) in column 36 opposite the producer's name, enter the serial number of the excess card issued to the producer.
  2. In the heading of column 1, Form 450-A, enter the words "Marketing Card No." and the serial number of the excess card issued to the producer.
- (e) Preparation of excess cards. Each excess card shall be prepared as follows:
1. In the space indicated print the name and full mail address of the producer or other person to whom the excess card will be issued.
  2. In the space for the name and address of the farm operator enter the word "Same" or, if the card is issued to a producer other than the operator, enter the name and full mail address of the operator.
  3. In the space indicated enter the names of the State and county.
  4. In the space indicated enter a brief description of the farm if the producer for whom the card is to be issued has an interest in more than one farm or if the county committee determines that a description of the farm is necessary.
  5. In the space indicated enter the farm serial number.

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- b. In the blank space following the words "Penalty Free Amount" enter in words the following:
- a. If the excess card is to be issued to a producer with respect to a farm for which a farm acreage allotment and marketing quota were established, enter the sum of the amounts in columns 3 and 4 of Form 450 or 450-A for the producer, as, for example, "Two thousand." If the excess card is to be issued to the operator in trust for all producers on the farm, enter the sum of the amounts on line 11, columns 3 and 4 of Form 450, or on line 4, columns 3 and 4 of Form 450-A.
  - b. If the excess card is to be issued to a person who is not located on a farm or who is located on a farm for which no cotton acreage allotment was established, enter the number of pounds of his carry-over penalty free cotton not pledged to secure a Commodity Credit Corporation loan or, if he has no carry-over penalty free cotton, enter the word "None."
  - c. If the excess card is to be issued to a producer with respect to a new cotton farm for which a farm acreage allotment and marketing quota were not established, enter the word "None" or, if the producer has carry-over penalty free cotton, the amount of carry-over penalty free cotton which the producer has on hand which is not pledged to secure a Commodity Credit Corporation loan.
7. In the parentheses preceding the word "pounds" enter in figures the amount entered pursuant to item 3 above, as, for example, "2000," or, if the word "None" was entered, the word "Zero" shall be entered in the parentheses.
- (f) Preparation of certificates accompanying excess cards. Excess card certificates shall be prepared as follows:
- 1. All entries which are to be made in the county office shall be made with indelible pencil.
  - 2. In the spaces indicated enter on each certificate (1) the farm serial number, (2) the names of the State and county and the code numbers thereof, and (3) the name and full mail address of the producer to whom issued.

3. In item 2 of the first set of certificates in each book enter the amount of the marketing quota which is shown on the excess card which accompanies the book of certificates.
  4. On the address side of each postal card copy of the certificates stamp the full mail address of the treasurer beneath the words "Treasurer of County Agricultural Conservation Committee."
  5. In item 6 of each set of the certificates enter in the blank space provided within the parentheses the rate of the penalty applicable to cotton of the current crop and, likewise, enter the rate in section III, 1-(e) of the instructions printed on the cover of the book.
- (g) Preparation of Forms 717. A Form 717 shall be prepared and issued to the operator of each farm for which excess cards are issued. The Form 717 shall be prepared in the county office, prior to the time it is delivered to the farm operator, as follows:
1. In the spaces provided in the heading enter (1) the farm serial number, (2) the names of the State and county, (3) the name of the farm operator, (4) the marketing year, and (5) the date set by the State committee as the final date for submission of the report.
  2. In the titles of Parts II and III enter the current calendar year designation.
  3. If the producers on the farm have carry-over cotton, the county office should offer to assist the farm operator in the execution of columns A, B, and C, Part I of the form, at the time it is delivered to him.
- (h) Execution of excess cards. The county committee shall examine each excess card, the accompanying certificates, and the Form 717 and, if found to be correct, the issuing officer shall sign the date the excess card in the spaces provided.
- (i) Delivery of excess cards. Excess cards shall be delivered in the following manner:
1. Delivery by mail. When it has been determined that an excess card shall be issued for a farm, the farm operator

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operator shall be notified that he and other producers on the farm may call for their cards or that upon request the cards will be mailed. He should also be advised that upon the execution of an agreement by the producers on Form 524 (a copy of which should be enclosed with the letter) one excess card may be issued to him for the farm. Excess cards shall be forwarded by registered mail, return receipt requested, accompanied with Form 717 (and a Form 417-A, if necessary) and a letter explaining the purpose, execution, and submission of Form 717, explaining that the excess card is to be used to identify the cotton marketed from the farm and cautioning the producer to sign his name immediately in the space provided, and enter the date in order to prevent improper use of the card. If the county committee determines that the farm is a one-producer unit or that only one person is interested in the production of the cotton, the excess card may be mailed without request. If a producer refuses to accept an excess card forwarded by registered mail, the county committee should attempt to deliver the card personally. A record of delivery by mail shall be made by entering in column 35, Form 450, or in column 1, Form 450-A, immediately below the name of the producer, the date of mailing and the serial number of the registry receipt.

2. Personal delivery. Excess cards which are not mailed should be delivered directly to the person to whom issued. An excess card may also be delivered or mailed to an agent of the producer under the circumstances outlined in item 2 of section 212(g). The person whose name appears on the excess card, or his agent, shall receipt therefor by signing his name in column 35, Form 450, or column 1, Form 450-A, in the space immediately below his printed name. The date of his signature should be entered immediately thereafter. Each person shall, upon receiving an excess card, sign his name (in the style shown therein) and enter the date of signing in the spaces provided. An excess card delivered to a farm operator, or his agent, shall be accompanied with Form 717. When the excess card and Form 717 are delivered to the farm operator, or his agent, a member of the county committee or an employee of the county office should explain that the execution and return of the form is required, that the information reported by the operator will be compared with the reports of ginners and buyers as to production and marketings for

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the purpose of determining the accuracy of the county office records, and that his cooperation in keeping the required records and the submission thereof will assist the county committee in determining refunds, if any, to be made and in establishing the normal yield for the farm for programs in subsequent years.

3. Form 417-A. If it appears, at the time excess cards and Forms 717 are mailed or delivered, that cotton produced on the farm or on hand in connection with the farm will be processed and marketed as an article of trade, the county committee shall deliver to the producer a Form 417-A, which shall be prepared by entering in the spaces provided the serial number of the farm, the names of the State and county, the name of the farm operator, and the marketing year. The purpose, execution, and submission of the report should be thoroughly explained to the producer and the fact that the form has been issued should be indicated to the left of the producer's name on Form 450 or 450-A in order that on the date set by the State committee as the final date for the submission of reports or at the end of the marketing year it may be readily determined whether the report has been filed.
- (j) Issuing additional excess cards and increasing the amount of quota shown thereon. An additional excess card will be issued to a producer when (1) the number of transactions in which he markets cotton will be in excess of the number of sets of certificates contained in the book accompanying the card, (2) his producer marketing quota is increased or, in the case of an operator to whom an excess card was issued for all producers, the farm marketing quota is increased, or (3) he desires to market carry-over penalty free cotton which was pledged to secure a Commodity Credit Corporation loan. Additional excess cards shall be prepared, executed, and delivered as otherwise provided in the foregoing paragraphs of this section, with the following exceptions:
  1. The entries to be made on the card shall be whichever of the following is applicable:
    - a. In case the farm marketing quota is not increased and an excess card is issued to provide additional certificates, the number of pounds to be shown thereon shall be the same as that shown in Parts 1

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and 2 of the card previously issued to the producer.

- b. In case an excess card is issued in connection with carry-over penalty free cotton withdrawn from the Commodity Credit Corporation loan, the number of pounds to be shown thereon shall be the amount of the carry-over penalty free cotton which is being withdrawn from the loan.
- c. In case the farm or producer marketing quota was increased, any additional excess card issued in connection therewith shall be marked "Additional," and the number of pounds to be shown in Part 1 of the additional card or in Part 2 of a card previously issued to a producer shall be determined as follows:
  - (i) In the case of a first intermediate reapportionment the increased amount shall be the amount shown opposite the producer's name in column 12 of Form 450 or column 10 of Form 450-A. If an excess card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 12, Form 450 or on line 4, column 10, Form 450-A.
  - (ii) In the case of a second intermediate reapportionment the increased amount shall be the amount shown opposite the producer's name in column 16 of Form 450 or column 11 of Form 450-A. If an excess card was issued in trust to the farm operator, the increased amount shall be the amount on line 11, column 16, Form 450 or on line 4, column 11, Form 450-A.
  - (iii) In the case of a final reapportionment where Form 450 was used the increased amount shall be the amount shown opposite the producer's name in column 26 or, if an excess card was issued in trust to the farm operator, the amount on line 11, column 26.
  - (iv) In the case of a final reapportionment where Form 450-A was used the increased amount for each producer shall be the amount by which the sum of the entries in columns 12 and 14 exceeds the sum of the entries in columns 3, 10, and 11. If an

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Excess card was issued in trust to the farm operator, the increased amount shall be the amount by which the sum of the entries on line 4 of columns 12 and 14 exceeds the sum of the entries on line 4 of columns 3, 10, and 11.

- (v) If, as a result of the reapportionment of the producer marketing quotas or an increase in the farm marketing quota, a refund was or will be made pursuant to the regulations, the increase in the producer marketing quota or farm marketing quota shall be issued on the excess card only for the amount by which the poundage on which a refund was or will be made is less than the amount by which the producer marketing quota or farm marketing quota is increased.
  - (vi) If, at the time of an intermediate or final reapportionment, a producer has marketed all cotton produced by or for him, the amount by which the producer marketing quota was increased shall not be issued on the excess card. If all cotton was not marketed, excess cards for the amount by which the producer marketing quota or the farm marketing quota, as the case may be, was increased shall be issued only to the extent of the unmarketed cotton.
2. The entries to be made on the certificate accompanying the excess card shall be whichever of the following is applicable:
- a. In case the farm marketing quota is not increased and an excess card is issued to provide additional certificates, the amount to be entered in item 2 of the first set of the certificates in the new book shall be the unused portion, if any, of the marketing quota as shown on the last certificate contained in the book previously issued or, if there is no unused marketing quota, the word "None" shall be entered.
  - b. In case an excess card is issued in connection with carry-over penalty free cotton withdrawn from a Commodity Credit Corporation loan, the number of pounds to be shown in item 2 of the first set of

certificates accompanying the card shall be the amount shown on the additional card.

- c. In case the farm marketing quota is increased and the increased amount of the quota is entered in Part 2 of the excess card previously issued, the word "Additional" shall be entered in the heading of the first unused certificate accompanying the card and the amount of the increase as shown in Part 2 of the card, plus the unused portion, if any, of the quota for which the card was originally issued, shall be entered in item 2 thereof. Such entries must be initialed by the issuing officer.
  - d. In case the farm marketing quota is increased and the increased amount of the quota is entered on an additional excess card, the amount of the farm or producer quota as shown on the additional card shall be entered in item 2 of the first set of certificates accompanying the card.
- (k) Decreasing the marketing quota shown on excess cards and certificates. If the producer marketing quota of any producer to whom an excess card was issued is decreased as a result of the apportionment or reapportionment of the farm marketing quota, the county committee shall alter the card previously issued to such producer by striking through the amount of the producer marketing quota previously entered thereon and by entering the amount of the decreased producer marketing quota above the previous entry. In item 2 of the first set of unused certificates accompanying the card the county committee shall enter the unused portion, if any, of the decreased producer marketing quota determined by subtracting the sum of the entries in item 3 of the certificate last executed from the amount of the producer marketing quota as decreased. If there is no unused amount of the decreased producer marketing quota, the word "None" shall be entered in item 2 of the first set of unused certificates. The entries so made shall be signed or initialed by a member of the county committee. If such producer fails or refuses to have the excess cards and accompanying certificates so altered, the county committee shall cancel them in accordance with the regulations.
- (1) Lost, destroyed, or stolen excess cards. In case any excess card and the accompanying certificates are lost, destroyed, or stolen, the county committee may reissue such forms to

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the producer in accordance with the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with the loss, destruction, or theft of such forms shall be filed in the folder for the farm. The excess card and the book of certificates shall be reissued in accordance with the procedure contained in the foregoing paragraphs of this section, with the following exceptions:

1. The amount of the producer marketing quota or farm marketing quota, as the case may be, entered on the new excess card shall be the same as that shown on the lost, destroyed, or stolen card, and the word "Duplicate" shall be stamped across the face thereof.
2. In item 2 of the first set of certificates in the new book enter the unused portion, if any, of the marketing quota entered on the excess card. If there is no unused marketing quota, the word "None" shall be entered in item 2 of the first set of certificates in the new book. In determining the amount of the unused portion of the marketing quota the county committee shall take into consideration the amount of cotton ginned and marketed by the producer together with any additional information which may be required.
3. Enter the word "Lost," "Destroyed," or "Stolen" opposite the entry on the Form 450 or 450-A showing the issuance of the excess card and the serial number of the duplicate card.
- (m) Cancellation of excess cards issued in error. In case any excess card is erroneously issued, the county committee shall cancel it in accordance with the regulations. A copy of the notice of cancellation, other correspondence, and a memorandum of any findings of the county committee in connection with its cancellation shall be filed in the folder for the farm. The word "Canceled" shall be entered on Form 450 or 450-A opposite the serial number of the canceled card. The word "Canceled" shall be entered across the excess card and each certificate accompanying it.

D. ISSUING WHITE MARKETING CARDS UNDER SPECIAL  
CONDITIONS FOR FARMS ELIGIBLE TO RECEIVE EXCESS MARKETING CARDS

Sec. 214 Penalties secured by bonds, money held in escrow, or warehouse receipts.

- (a) Conditions precedent. The operator of each overplanted farm

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for which it is estimated that a penalty will be incurred, of each farm on which one or more producers have carry-over cotton, or of each farm for which excess cards would be issued because of long staple cotton should be advised by letter or otherwise of the following conditions under which he can become eligible to receive a white card in lieu of an excess card:

1. Bond of indemnity or funds in escrow. For multiple farm operators or producers, a separate bond or funds must be tendered for each farm. The bond or funds must be tendered before any cotton is marketed from the farm. The county committee and the State committee reserve the right to not accept any bond or funds if either determines that the acceptance thereof is not justifiable, is not tendered in good faith, is tendered with the intention of evasion or fraud, or that they are not adequate to secure payment of the penalties. A bond or funds shall not be accepted if excess cards are or will be issued to enforce the provisions of the Act. (Exception 8, section 204.)
2. Warehouse receipts. The producers on a farm may store an amount of cotton equal to or greater than the estimated excess production and deposit with the county committee negotiable or non-negotiable warehouse receipts covering the amount of cotton so stored. A warehouse receipt shall be accepted only upon the condition that the producers by or for whom the cotton is stored shall be liable for all charges incident to the storage of the cotton. For multiple farm operators or producers, the estimated penalty determined in connection with each farm must be secured by the deposit of warehouse receipts or otherwise. Warehouse receipts shall not be accepted if excess cards are or will be issued to enforce the provisions of the Act. (Exception 8, section 204.)
- (b) Qualifications of the principal under bond of indemnity or the person who deposits funds in escrow. The principal under bond of indemnity or the person who tenders funds to be held in escrow must be the owner or operator of the farm. In the case of a bond, he must be of good character and reputation in the community in which he resides and, in the opinion of the county committee, financially able to answer for the amount of the penalties. The county committee must explain to him the fact that the bond is to be given only for the purpose of deferring the collection of the penalty until the time for

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filing the farm operator's report on Form 717 and that, if he does not forthwith pay the penalties at that time, the sureties will be required to pay the amounts incurred.

- (c) Qualifications of sureties. Each surety under a bond of indemnity shall be an owner of unencumbered real property situated within the county which is not exempt from execution and, in addition, shall, in the opinion of the county committee, be financially able to answer for the amount of the penalties. In considering whether the surety is financially able to answer for the amount of the penalties, the county committee should determine whether he is or will be eligible to receive payments under the various programs. It is not essential that he be eligible to receive such payments but, if he is not eligible, his financial position should be examined with even greater care. Neither a producer on the farm nor an employee of the county agricultural conservation association nor a member of the county or community committee nor the secretary or treasurer of the county committee may be a surety. The county committee must explain to each surety that the penalties incurred must be paid within fifteen days after all cotton is marketed and that, if all cotton is not marketed on or before the date set by the State committee as the final date for the submission of reports, the penalties incurred as of that date must be paid on that date, either by the surety or by the principal. It must also be explained that if all cotton is not marketed by the end of the marketing year, the penalties will likewise be due and payable on that date on the excess marketed as of that time.
- (d) Estimating the penalty to be secured. The county committee shall estimate the yield of the cotton crop, giving careful consideration to the farm normal yield, general crop conditions in the community, and any statements made by the producer as to the probable yield. The number of pounds of estimated excess production shall be the result obtained by subtracting from the total estimated production of both long and short staple varieties the amount of the estimated, actual, or normal production of the farm acreage allotment. The amount of the bond or funds in escrow shall not be less than the amount determined by multiplying the number of pounds of estimated excess production, plus the number of pounds of carry-over penalty cotton designated to be marketed in connection with the farm, by the current rate of the marketing penalty. The number of pounds covered by warehouse receipts deposited with the county committee shall not be less than

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the number of pounds of the estimated excess production plus the number of pounds of carry-over penalty cotton designated to be marketed in connection with the farm. If the farm is an underplanted farm, only the carry-over penalty cotton shall be considered in estimating the penalty or the amount to be covered by warehouse receipts. In each case the estimated amount of the penalty should be high enough to afford protection against errors in estimating production and to provide for unforeseen contingencies but at the same time must be fair and reasonable. A memorandum or, if complete, a copy of the letter or other form referred to in paragraph (4) of this section showing the basis for determining the amount of the estimated excess production shall be prepared, signed by the member of the county committee who conducted or supervised all investigations, discussions, or determinations in connection with the amount of the estimated excess production, and filed in the farm folder.

- (e) Placing funds in escrow. Any funds delivered by the owner or operator of the farm to be held in escrow shall be only in legal tender or in the form of a cashier's check or money order drawn payable to the order of the Treasurer of the United States. The funds so received shall be handled as outlined in Part V of these instructions.
- (f) Execution of bond. The county committee shall verify the sufficiency and form of the bond of indemnity (Form 623) and indicate its approval thereof when prepared as follows:
1. In the spaces provided enter the State and county code, farm serial number, and marketing year.
  2. Determine that, in the spaces provided,
    - a. The name of the owner or operator of the farm appears as principal;
    - b. The names of the State and county are entered;
    - c. The names of the two sureties are entered;
    - d. The amount of the principal sum entered is not less than the estimated amount of the penalty to be incurred;
    - e. The date and place of execution are properly shown;

- f. The signatures and addresses of the principal and two sureties appear thereon and agree with the names entered in the body of the bond;
    - g. The signature and addresses of the principal and two sureties were witnessed by two disinterested persons who entered their signatures and addresses in the spaces provided;
    - h. The "Justification of Sureties" has been completed and executed and acknowledged before a proper officer.
  3. If the county committee finds that the bond has been properly executed and that, to the best of its knowledge and belief, the sureties are good and sufficient and the principal is qualified, the "Certificate of County Committee" shall be executed by a member of the committee.
  4. The original shall be delivered to the treasurer, one copy retained by the principal, and one copy retained by each of the sureties.
- (g) Depositing warehouse receipts. Warehouse receipts tendered to secure payment of the penalty shall be handled as follows:
1. The producer shall be given a receipt therefor on a typed or mimeographed form executed in duplicate to show,
    - a. The name and address of the producer;
    - b. The State and county code numbers and the serial number of the farm for which the penalty is so secured;
    - c. The serial number of the warehouse receipt and whether it is negotiable or non-negotiable;
    - d. The name and address of the warehouse which issued the receipt;
    - e. The date the warehouse receipt was received by the treasurer;
    - f. The number of net pounds of cotton covered by the warehouse receipt;
    - g. The signature and title of the treasurer.

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2. The original of the receipt shall be delivered to the producer and the copy attached to the warehouse receipt.
  3. The treasurer shall keep the warehouse receipt in a safe place, preferably in a safe, vault, or safety deposit box. Negotiable receipts should not be endorsed by the producer.
  4. In the case of non-negotiable warehouse receipts the producer and the treasurer shall notify the warehouseman in writing that the receipt has been so deposited and that delivery of the cotton covered thereby is not to be made to any person until the receipt has been released. The notice shall set forth an adequate description of the warehouse receipt and be signed by both the treasurer and the producer. A copy of such notice shall be filed in the farm folder.
- (h) Cancellation of excess cards previously issued. If excess cards were issued to producers on the farm prior to the execution of the bond, the deposit of the funds to be held in escrow, or the deposit of the warehouse receipts, the excess cards must be returned to the county committee prior to the time the white cards for the farm are issued. Each excess card shall be canceled by stamping across the face thereof in bold letters the word "Canceled" and the same word shall be so stamped or endorsed on each set of certificates in the book accompanying it. On Form 450 or 450-A, to the left of the name of the producer, enter the word(s) "Bond," "Escrow," or "Warehouse Receipt," as the case may be. The canceled excess card and certificates shall be filed in the folder for the farm.
- (i) Issuing white cards. After the bond of indemnity has been approved, funds have been tendered to be held in escrow, or warehouse receipts accepted, and any excess cards previously issued have been canceled, the county committee shall issue a white card only to the operator of the farm in accordance with section 211, except that:
1. If the cotton acreage allotment is determined to be knowingly overplanted in accordance with the current Agricultural Conservation Bulletin, the words "Penalty Secured" must be stamped across the face of the white card;
  2. The word(s) "Bond," "Escrow," or "Warehouse Receipt," as the case may be, shall be entered in column H of form MQ-2;

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3. A Form 717, prepared as outlined in section 212(g), and, if necessary, a Form 417-A, prepared as outlined in section 212(i), shall be delivered to the operator at the time the white card is delivered to him.

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Sec. 215 Farms producing 1,000 pounds or less.

- (a) Amount of penalties. The penalty does not apply to the marketing of cotton produced on a farm for which a cotton acreage allotment was established if the total production of lint cotton in the current year on the farm does not exceed 1,000 pounds. This exemption is not applicable to carry-over penalty cotton designated to be marketed in connection with the farm. Where there is a variation between the gin weight and the marketing weight of the cotton produced on a farm so that one weight is more than 1,000 pounds and the other weight is less than or equal to 1,000 pounds and the two weights are bona fide and not the result of a scheme to evade the payment of penalties, the farm shall be considered to have produced 1,000 pounds and such cotton will not be subject to penalty. The exemption from the penalty does not alter the amount of the farm marketing quota. The exemption means that penalties shall not apply to cotton of the current crop which is marketed in excess of the farm marketing quota if the total production on the farm was 1,000 pounds or less.
- (b) Issuing marketing cards. Marketing cards are required to be issued to producers on a farm prior to the time the total production thereon is known. White cards and excess cards will consequently be issued as in other cases to farms on which the production does not exceed 1,000 pounds. A white card may be issued to or for producers on an overplanted farm if (1) the actual or estimated production does not exceed 1,000 pounds of lint cotton, (2) no producer on the farm has any carry-over penalty cotton, (3) a cotton acreage allotment was established for the farm, and (4) any excess cards previously issued to or for the producers on the farm are returned to the county office and canceled. A white card under such circumstances should not be issued if there is a possibility that the current crop will exceed 1,000 pounds of lint cotton. The white card issued under such conditions shall be prepared and delivered to the producer in accordance with section 211 of these instructions, with the following exceptions:
1. The words "One Thousand Pounds" shall be entered in column H of form MQ-2 for the white card so issued.
  2. The words "One Thousand Pounds" shall be stamped across the face of the white card.
  3. A Form 717 prepared as outlined in section 212(g) and, if necessary, a Form 417-A prepared as outlined in section 212(1) shall be delivered to the operator of the farm at the time the white card is issued to him.